

Thomas-Jensen Affirmation

Exhibit # 88

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

STATE OF NEW YORK; et al.,

Plaintiffs,

v.

DONALD TRUMP, in his official capacity as
President of the United States; et al.,

Defendants.

C.A. No. 1:25-cv-00039-JJM-PAS

DECLARATION OF SARITA NAIR

I, Sarita Nair, declare as follows:

1. I am a resident of the State of New Mexico. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.

2. I am currently employed by the New Mexico Department of Workforce Solutions as the Cabinet Secretary.

3. The Department of Workforce Solutions' mission is to empower, educate, employ and enforce. The Department strives to be a leader in improving employment and poverty rates through workforce development, enhanced services for employers, and fair labor practices and workforce protections for all New Mexicans.

4. As Cabinet Secretary of the New Mexico Department of Workforce Solutions (the Department), I am the chief executive of the agency, and as such I am familiar with the Department's federal funding.

5. The Department receives approximately 89% of its funding from the federal government. This includes administration of federally funded programs including the Unemployment Insurance program, Workforce Innovation and Opportunity Act (WIOA) including payments to the four Local Workforce Development Boards, Jobs for Veterans Service Grant, Work Opportunity Tax Credit, Temporary Assistance for Needy Families work programs, state contracts with the Equal Employment Opportunity Commission, Rapid Response, Reemployment Services and Eligibility Assessments (RESEA), apprenticeship funding including the State Apprenticeship Expansion Formula grant, the continued administration of federal pandemic unemployment benefits, disaster unemployment assistance, and AmeriCorps.

6. For the fiscal year that ended June 30, 2024, our total federal expenditures were \$269,438,851, of which \$27,843,898 was passed through to sub-recipients.

7. Although the benefit payments under Unemployment Insurance program are funded through state tax funds, all personnel and operations of the program are federally funded. The impact of a federal funding freeze would be to stop administration of the Unemployment Insurance program, including administration of benefits, tax payments, and appeals. The Unemployment Insurance program expects to serve over 48,000 individuals and over 55,000 businesses in the current fiscal year.

8. Another impact of a freeze on federal funding would be the inability to fund personnel and operations for businesses that rely on Workforce Innovation and Opportunity Act (WIOA) Title III funding, including business services for job recruitment and retention; career placement services available to all New Mexicans; and communities that rely on the 25 America's Job Centers across the state. WIOA Title III expects to serve 95,305 individuals and 7,339 businesses in the current fiscal year.

9. Another impact of a freeze on federal funding would be to stop all WIOA Title I pass-through funding to four local workforce development boards across the state. The local workforce development boards serve over 6,000 participants in a fiscal year, with career services, educational funding and on-the-job training for youth and adults who have been laid off or otherwise qualify.

10. Another impact of a freeze on federal funding would be to stop the Jobs for Veterans Service Grant, which provides career services for veterans and their families. The Jobs for Veterans Service Grant serves approximately 900-1,000 participants per year.

11. Another impact of a freeze on federal funding would be to stop the Temporary Assistance for Needy Families (TANF) education, training, job placement, and subsidized employment programs. These programs are expected to assist over 6,600 individuals in the current fiscal year.

12. Other programs that would be halted by the freeze on federal funding include the Work Opportunity Tax Credit (processing over 24,000 applications), AmeriCorps (serving over 2,000 individuals), H2-A Visas (serving over 1,600 individuals and 93 businesses), and Apprenticeship (serving over 2,700 individuals and 240 businesses).

13. The New Mexico Department of Workforce Solutions' budget for this year has relied on all the above-referenced federal funds, and the Department made plans and allocated federal funding for staffing, program costs, technology, offices, and other operational requirements based on the anticipated receipt of federal funding promised. The Department also received \$5.9 million over three years from the State Apprenticeship Expansion Formula 2 (SAEF2) competitive grant, which is currently funding personnel and operational costs, as well as pre-apprenticeship stipends.

14. Upon information and belief, not only would a pause in our federal funding result in immediately halting operations, but a freeze could lead to defaults on real property and equipment leases, payments to vendors, and payments to participants in our programs in the longer term.

15. Importantly, a pause in federal funding would leave the Department highly vulnerable to cyber-attacks, without the staff to address them and without funding for cybersecurity technology. During the pandemic, every state experienced high rates of Unemployment Insurance fraud, which was estimated to have cost \$250 million in New Mexico alone. A funding freeze would put at risk all the human and system safeguards enacted in response to that fraud.

16. Upon information and belief, a suspension of payments from the federal government could leave unemployment insurance participants at risk of losing housing and unable to meet their basic needs, in addition to reducing their likelihood of finding new employment because of a lack of re-employment services.

17. Upon information and belief, suspension of payments from the federal government for employment services programs could have a ripple effect on the employers and education and training programs that receive those payments on behalf of participants, in addition to resulting in disenrollment of those participants.

18. The Department expects to receive \$103,527,621 in federal funds for the remainder of the federal program year ending June 30, 2025, under our current federal grants that have been appropriated but not drawn down.

19. The most immediate disbursements affected will be for payroll and operations in all federally funded programs and disbursements to the four Local Workforce Development

Boards. Upon information and belief, the most immediate impact of another freeze would be to halt disbursement of \$2,414,344.80 in current draw requests that the Department has pending federal review as of the date of this declaration. This does not include federal draw requests that may be in the pipeline from the local workforce development boards. If we do not receive this money, we would need to cease federally funded operations associated with this draw, including possible furloughs of personnel.

20. A longer freeze on federal funds would shut down nearly all operations of the Department, including payment and administration of unemployment benefits and the operation of the 25 America's Job Centers across the state and all services provided there. In addition, there would be disruption in payments to education and training providers, including apprenticeship programs, 2- and 4-year colleges, and private training providers. The four local workforce development boards would also need to cease operations, including all programming and support to participants.

21. The Department draws down federal funds several times each week.

22. The Department received multiple communications regarding the federal funding freeze on January 27 and 28, 2025, and was unable to access the payment management system on January 28, 2025.

23. The Department received notification that the freeze was halted because of the temporary restraining order on January 29, 2025, and the payment management system became accessible again that same day.

24. The Department continues to be concerned that the funding will again be delayed or denied because we have never received additional guidance on the executive orders that served as the impetus for the federal funding freeze.

25. Upon information and belief, if the federal funding is again paused, blocked, denied, or delayed suddenly, in addition to the disruptions set forth above, the Department anticipates a loss of staffing as employees look for more stable sources of work and the potential cancellation of key contracts as vendors become increasingly concerned about the status of Department finances.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 4, 2025, at Santa Fe, New Mexico.



Sarita Nair, Cabinet Secretary, New Mexico
Department of Workforce Solutions